Thinking About Building Your Own TMS In-House? Read This First

> *"Outlining your requirements at the start is vital. For example, can your monthly management reporting information be generated by the TMS with minimal editing required? Ensure that the potential TMS suppliers provide hard examples during the selection process. A TMS should be flexible, so bear in mind what you might need in the future. Is the customer support service robust? Try calling their support to see if a person answers or if you are diverted to voicemail. How often are updates released? Visit existing users to find out what the TMS are like in reality. And finally, assess if the cost of owning and maintaining your own IT hardware is worthwhile."*
>
> *Keith Shapley, Treasury Manager Projects and Compliance, Group Treasury, BAE Systems (GT News TMS Buyers' Guide)*

Let me guess: you've been trawling through the many TMS and ERP products on the market, comparing every tiny detail of each one. You have a carefully thought through list of features you need, plus a few nice-to-haves thrown in – but after extensive research, you're still struggling to figure out exactly what the difference is between the options, or whether they will quite do what you need to them to do.

By now, you're well and truly tired of the exercise. You've reached the point where you want to throw your hands up and say: What the hell – let's just make our own!

On the face of it, it's not a bad idea. After all, you can customise it exactly as you want it, building it around your team's skill levels and existing workflows. You need only worry about the features you actually want, and you don't have to compromise on your ideal setup in order to find an existing system that works "well enough". Maybe you even have a decent team of software developers that can save you some cash by doing everything in-house.

All sounds great…. In theory.

In reality, building your own TMS from scratch is a serious undertaking. Before

you make a decision either way, it’s important to be clear on what you’re really getting yourself into – and whether it will reap the benefits you’re looking for.

Do You Have the Right Type of Expertise?

You might have a clear idea of what you need your bespoke TMS to do, but do your developers get it, too? Your IT team aren’t treasurers, after all, and your treasurers aren’t IT experts. Keeping them on the same page is a challenge that will take serious project management.

In fact, one of the biggest issues facing any large scale tech project is shared vision. The way an IT professional visualises and executes a solution is often very different to how someone from another department, with a completely different set of expectations, perspectives and requirements, might do so.

Learning to translate treasury needs into a workable, streamlined, intuitive-to-use product that also makes the most of the available IT systems and architectures is a skill that TMS vendors perfect over decades. Are you confident that you’ll be able to jump straight to the finish line?

How Will You Future-Proof Your Creation?

Okay, let’s presume that you’re able to bring your team together and build something that perfectly serves your needs. How will you make sure that it continues to serve your needs as these evolve in the years ahead?

A decent TMS is not a static creation. As you know, the role of the treasurer is changing all the time and your technology will need to be poised to accommodate this. Will you be able to add in new functions, or update the system to support new plugins, formulas, algorithms, codes and transaction types? Stay compliant with changing accounting standards and other regulations?

Bear in mind that when you buy a TMS from a respected vendor, they take responsibility for keeping you on the cutting edge. When you build your own, it’s all down to you.

What Happens if You Have Problems?

Updates and overhauls are one thing, but daily upkeep is quite another. Do you have a plan in place for managing technical support? How will you schedule and

handle downtime for maintenance? Will you need to take on additional IT personnel to provide round-the-clock support?

Will It Genuinely Save You Time?

You might feel that jumping straight in and creating your perfect TMS will save you months of research, negotiation and relaying your requirements to vendors. The likelihood is, though, that you'll simply shift these efforts and activities to an internal team, who may not have dealt with something like this before and will need to invest significant time getting to grips with the subject matter before they can even start on the project.

Also, don't forget that rolling out a new TMS and training your team to use it involves a serious time commitment in itself, even without building your own system from scratch. As CLS Holdings' Group Treasurer Alain Millet warns:

> *"Do not underestimate the work involved during implementation. I strongly believe that getting involved in all the aspects of setting up the system will benefit us and will make us 'better' users of the system. This approach will inevitably increase the workload of the department and also result in delays in the implementation plan. It is important to manage the expectations of senior management in that respect."*
>
> *Alain Millet, Group Treasurer, CLS Holdings (GT News TMS Buyers' Guide)*

Given the timelines involved in any TMS implementation, you need to think very carefully about whether you want to multiply the scale of the project by building your own system, too.

Will It Genuinely Save You Money?

High quality TMSs have become dramatically more affordable in recent years, especially given the potential of cloud-hosted solutions to bring down cost of ownership.

Bespoke solutions are typically far more expensive to produce – even when you're covering the costs in-house. Once you've factored in all the direct and opportunity costs of setting your IT team the task of creating, maintaining and supporting a unique TMS, you may find you struggle to save money in the long run.

Can You Afford to Experiment?

Here's the crux of the matter: if you build something yourself, it will take time to get it right. And, of course, while you're perfecting the system, your team is dealing with the fallout.

What will it cost them – whether in time, money, reputation or simply stress – to encounter hiccups in their cashflow for the next 3, 6, 12 or more months? To wait out any system crashes or periods of unplanned downtime? To put off upgrades that make the system compatible with their banking systems, transaction types, or industry regulations? To re-train if you decide to take things in a different direction?

Of course, you may decide that the payoff is worth the hassle – that total ownership of a bespoke solution is worth sticking out the teething problems. But be aware that there is no way of doing this that won't (at least temporarily) impact on your productivity, and potentially your profitability. If you go down this route, go into it with your eyes open – make sure this is a risk that you, and your management team, are willing to take.

For more great advice on navigating TMS options, click here to download your FREE eBook, How to Choose a TMS that Will Supercharge Your Growth.